

# LOUISIANA SALES AND USE TAX COMMISSION FOR REMOTE SELLERS

## APPROVED Minutes of September 8, 2022 Meeting

- I. **Call to Order/Roll Call** - The meeting of the Louisiana Sales and Use Tax Commission for Remote Sellers was called to order at 11:06 AM by Chairperson Clapinski. A quorum was established with seven members initially in attendance. Members present were:

1. Danielle Clapinski (LDR)
2. Shawn McManus (LULSTB)
3. Kevin Richard (LDR)
4. Kelli Jumper (LDR)
5. Jeff LaGrange (LULSTB)
6. Kressy Krennerich (LULSTB)
7. Amanda Granier (LULSTB)
8. Luke Morris (LDR) (joined after the minutes were approved)

II. **Approval of Meeting Minutes from August 11, 2022**

- A motion was made by Mr. McManus to approve the meeting minutes from the meeting on August 11, 2022, and seconded by Ms. Granier. Following a vote and a call for public discussion, the minutes were approved unanimously by the members present.

III. **Report From Executive Director**

A. **Distribution Report**

- In August, the Commission collected \$38,366,689.19 for the July 2022 period. \$37,983,021.49 was distributed to the state and local collectors. The number of returns processed in August was 5,455. Of those, 5,041 were for the June 2022 period. As of 7/31/22, the Commission had 6,948 open accounts.

B. **Budget**

- Ms. Roberie went over the reported actual to budget numbers for FY 21-22 and explained that these are not final numbers for the year. Several payments are still being reviewed and processed. She noted that it does appear the Commission will be returning what was not spent from the retained 1% administrative fee.
- Ms. Roberie also gave an update on the current renovation to the office space and the expected delivery of the office furniture. She also provided an update on the most recent advertised positions and explained they had been reposted and should be closing soon.

#### **IV. Executive Session**

##### **A. Penalty Waiver Requests Requiring Commission Approval**

- A motion was made by Ms. Krennerich and seconded by Ms. Granier to enter Executive Session to consider the penalty waiver requests that exceed \$5,000 and therefore require Commission approval. Following a call for public discussion and a vote, the motion was unanimously approved by the members present. The Commission entered Executive Session at approximately 11:15 am.
- A motion was made by Ms. Granier and seconded by Mr. Lagrange to exit Executive Session. Following a call for public discussion and a vote, the motion was unanimously approved by the members present. A motion was made by Ms. Krennerich and seconded by Mr. Lagrange to re-enter the regular Commission meeting. The Commission restarted the regular meeting at approximately 11:45 am.
- A motion was made by Mr. Lagrange to approve the penalty waiver requests in globo that were presented and discussed during the executive session. Secretary Richard seconded the motion, following a call for public discussion and a vote, the motion was unanimously approved by the members present.

#### **V. Discussion Items**

##### **A. RSC Policy Approval Process**

- Ms. Roberie requested that the Commission consider giving the Executive Director the authority to move forward with administrative policies that require external approval such as from Civil Service or the State Office of Procurement and then provide the Commission with a report of those policies that have been approved. Secretary Richard commented that he believed as the Executive Director, Ms. Roberie should have the authority to move forward with administrative policies that deal with operations and do not have a fiscal impact. Ms. Granier added that she would like to make sure that a particular policy does not require Commission approval in order for it to be effective.
- Mr. McManus made a motion to move this item to an action item. Ms. Granier seconded this motion, following a call for public discussion and a vote, the motion was unanimously approved by the members present.

##### **B. Act 685 of the 2022 Legislative Session – required informational report**

- Mr. Morris offered the department’s vision of this process was that LDR would begin working on an initial draft and then toward the end of the year begin having more substantive discussion of what the report will include. Mr. Morris suggested that the Commission consider establishing an ad-hoc working group that can focus on this report and then present

to the entire Commission. Mr. Morris also volunteered to serve on this working group. Ms. Roberie suggested the working group could consist of Commission, LDR and Uniform Board representatives.

- Mr. Morris also asked for clarification if the Commission has received any requests from a tax administrator to begin collecting all sales tax on their behalf. Ms. Roberie responded that the Commission has not received any requests.

#### **C. RSC Address Change**

- Ms. Roberie requested that the Commission change its mailing address from the Post Office box located downtown to 7722 Office Park Blvd address where the Commission is now located. It was discussed that this did not require an action item and that the statute just requires that the Commission be domiciled in Baton Rouge.

#### **D. Commission Working Groups**

- Chair Clapinski summarized the last Commission meeting where it was suggested that working groups be formed to address some immediate needs including a Human Resources working group, an Accounting advisory group, a Policy and Procedures working group and a General Advisory working group, along with the Act 685 ad-hoc working group discussed in this meeting. There was a request at the previous meeting that a definition of what these working groups would be doing be compiled and Ms. Roberie included that in this month's Commission meeting documents.
- Ms. Granier asked Ms. Roberie if she envisioned that these working groups would primarily consists of Commission members or it was possible for there to be members outside of the Commission members. Ms. Roberie answered that she could envision scenarios when people other than Commission members could serve on these groups.
- Chair Clapinski asked the Commission members to let her and Ms. Roberie know if there is a particular working group they are interested in working on.

### **VI. Action Items**

#### **A. Financial Services Contract**

- Ms. Roberie went over the new proposal we have from our Financial Services contractor that will provide more in-depth services since we have been unable to hire an accountant and also to assist with issues and questions brought up by the Legislative Auditor and the Office of State Reporting and Accounting Policy (OSRAP). This proposal added to what was presented before after a meeting to further scope out the Commission's needs. Ms. Roberie presented the scope of services and deliverables for the contract. She asked for an action item to allow her to move forward with executing the financial services contract between the

Commission and Postlethwaite and Netterville. Secretary Richard asked to clarify the urgency of the approval. Ms. Roberie explained that the Annual Financial Report is due to OSRAP next week as well as the urgency in developing better bank reconciliation processes. Secretary Richard expressed concerns about how the proposal provided estimates and not definitive amounts. Ms. Roberie explained that the contract would provide for the contractor to bill based on actual hours worked to address the scope of services and deliverables and would include a cap based on the estimates in the proposal.

- Additional discussion among Commission members included alternatives including keeping the contract capped at the amount currently in the budget and if an amendment is needed in the future it would come before the Commission. It was discussed that if accounting staff are able to be brought onboard in the near future the full scope may not be needed.
- Ms. Krennerich made a motion to allow the Executive Director to continue contract discussions limited to the amount that is in the Commission's budget. Mr. McManus seconded the motion. Chair Clapinski clarified that Ms. Roberie may need the authority to submit a signed contract to the Office of Contractual Review. Ms. Roberie explained that she needs the Commission's approval to move forward with the scope of services and the amount of the contract. Ms. Krennerich amended her motion to allow the Executive Director to sign a contract based on the information provided at this meeting and on the approved budgeted amount so that the signed contract between the Commission and P&N can be sent to the Office of Contractual Review. Mr. McManus seconded the motion. Chair Clapinski called for additional comments or discussion from the Commission. Mr. Morris asked if OSRAP was expecting the "true up" distribution to be executed prior to the AFR submittal. Ms. Roberie explained that they weren't expecting that it would be completed but that the amount of the "true up" distribution would be in the AFR. Mr. Morris also asked that the OSRAP deadline be included in the contract and emphasized the need for this deadline to be met. Following a call for public discussion and a vote by the Chairperson, the motion was unanimously approved by the members present.

## **B. Avenu Change Order**

### **• Delinquent Penalty Calculation Change per Act 87 of the 2022 Legislative Session**

- VI.** Ms. Roberie explained that Act 87 of the 2022 Legislative Session changed the way that delinquent penalties are calculated. The quoted cost to change these calculations in our system is \$13,200.
- VII.** A motion was made by Secretary Richard to approve the Avenu change orders for the changes in delinquent penalty

calculation, and seconded by Mr. Morris. Mr. Morris asked if we had to complete a change order every time an interest rate change. Ms. Roberie explained that we do not. The reason for this change is that the actual penalty calculation is changing. Following a vote and a call for public discussion, the change orders were approved unanimously by the members present.

### **C. RSC Policy Approval Process**

- Ms. Krennerich made a motion to allow the Executive Director to approve and submit policies to a state agency that have to do with administration of the Commission. After the relevant state agency approves, the policy should be brought to the Commission for information and to provide an update to the Commission. Mr. McManus seconded the motion. Chair Clapinski made a substitute motion to allow the Executive Director to sign and submit the administrative policy to the relevant secondary state agency and to provide monthly updates to the Commission on any such approved policies. Ms. Krennerich seconded the substitute motion. After a call for further discussion and public comment, the motion was approved unanimously by the members present.

## **VII. Other Business**

- A request was made to hold some meetings downtown at the State Capitol to be closer to downtown and the Department of Revenue.
- Mr. Morris asked about the Multistate Tax Commission (MTC) and their referrals of voluntary disclosure applications. Mr. Morris stated that they refer to the department and asked if they also referred on a local level. Ms. Krennerich explained that there is a process for mediation at the local level. Ms. Roberie stated that the Commission receives referrals from the MTC and we have worked with them on a process to provide guidance from the Commission to the applicants.

## **VIII. Public Comment**

- No additional public comment.

## **IX. Adjournment**

- With a motion by Ms. Krennerich and a second by Mr. McManus, Chairperson Clapinski declared the meeting adjourned at approximately 12:44 PM.